

Customer Council Meeting Minutes



Maryland Correctional Enterprises**Location:** Virtual**Date:** August 16, 2022**Time:** 10:00am**Attendees:**

Stephen Sanders

Ashley Lohr

Kathrine Thomson

Adam Cummings

Brenda Lee

Calvin Johnson

Curtis Murray

Daniel Schuster

Meeting Commences at 10:00AM**MCE Updates - Stephen Sanders**

- Only 2 Covid-19 cases.
- Vacancy Rate – 28% (51 Vacancies):
 - 2 Pending Start Dates (one contractual, one internal promotion)
 - 10 Active Recruitments (Posted/Pending Interviews/Awaiting Re-Post)
- Participation rates continue to exceed over 1,094 participants.
- Only one graphics business unit idles due to staffing – we have shifted the orders so that items will not be delayed.
- MCE's reentry director will be presenting at MACO – we encourage you to attend that session on innovative hiring techniques where she will discuss benefits of our training program. Please stop by our booth to see us.
- FY22 YTD Sales are \$50.2 million vs \$50.5 million in FY21.
 - A decrease of \$300K or 1%.
- Current Sales are at \$4,589,867.
 - About \$2 million behind where we were at the end of August last year
- Open orders at 13.1 Million.
 - We have had large project construction delays, but have strong open orders on the books.
- Fiscal Year 2022:
 - Hit our goals of \$50 million and training participation of over 1,000.
 - Lives Touched - 1,409 (about an increase of 400 from last year).
 - Training/ Productivity Hours - 1,400,507 Hours.
 - Stipends Paid - \$1,773,987 (up \$373,263 from last year).
 - 131 Job Skills Training Partnership Certificates issued.

Marketing Division Update – Ashley Lohr (Standing in for Nicole Copeland)

- **FY23 Catalog is available in print by request. It is available online; you can click through and order directly from the catalog on the website.**
- **Convention Season is under way:**
 - **Maryland Municipal League**
 - **Association of School Business Officials**
 - **Maryland Association of Counties (Will be attending)**
 - **Maryland Association of Board of education (Will be attending)**
 - **Department of Natural Resources (TBD)**
- **Reviewing new product options; seating, task and side chair, along with sit/stand desk options.**
- **The showroom is open for visits. Can set up an appointment on the website or by calling your account representative.**
 - **Clearance items are available at the showroom.**
- **We have a monthly email list with updates that can be subscribed to via our homepage on our website. You can expect: product announcements, specials, new products, and MCE news.**

Sales Division Update – Ashley Lohr (Standing in for Todd Deak)

- **FY22 - \$47 Million vs 42.5 million – increase of \$4.6 million – shows some recovery from pandemic purchasing.**
- **YTD FY23 - \$6.1 million vs \$7.9 million end of August last year.**
- **This year our open orders are at \$13.1 million – around normal.**
- **Website sales hit a record high in FY22 - \$779,482.**
- **Upcoming Capital Projects for August:**
 - **Garrett College**
 - **MDOT – MTA**
 - **UMES**
 - **UMCP**
 - **Towson**

Council Recommendations, Comments, and Concerns

- **Mr. Curtis Murray is excited about DHS capital project in the works and it is a very big project for MCE. We will continue to work hand and hand together to see that the completion of the project goes according to plan.**
- **Mr. Daniel Schuster inquired about the Annual Business Luncheon – It is a great networking opportunity and provides for all of MCE's employees to gather and meet**

with each other and outside entities. Activities and refreshments will be offered at the event and we look forward to having everyone from the Customer Council attend, if possible.

[Meeting Concluded at 10:30AM](#)

[Upcoming Events:](#)

[Customer Council Meeting:](#) October 18, 2022

[Annual Business Luncheon:](#) September 30, 2022

Maryland Correctional Enterprises

Location: Virtual

Date: October 18th, 2022

Time: 10:00am

Attendees:

Stephen Sanders

Ashley Lohr

Nicole Copeland

Adam Cummings

Todd Deak

Daniel Schuster

Meeting Commences at 10:00AM

MCE Updates - Stephen Sanders

- Welcome everyone.
- September Sales for FY23 \$4,838,990 compared to \$3,434,616 in FY22.
- YTD sales for FY23 are at \$11,452,952 compared to \$10,616,761 in FY22. A difference of \$836,191.
- Inmate employment as of September was 1,024. As of October 15th, 2022 the count is 1,041.
- Global Shop Solutions ERP has gone live as of October.
- Currently working on process quality, equipment upgrade, for furniture restoration plant out of ECI.
- Vacancy rate is hovering around 26%. Was recently close to 29%.
- All is good for MCE at the moment.

Marketing Division Update – Nicole Copeland, Director of Marketing

- FY24 Catalog
 - Start working on Catalog soon
 - Looking at new products to offer
 - Task chairs
 - Side Chairs
- Other Projects
 - Social Media - You can keep up with what is happening at MCE on the Department of Public Safety's Facebook page.
 - We are posting content on a monthly basis
 - Employee news, special projects and community engagement

- **Past Convention Season**
 - **Was a success**
 - **We connected with other state agencies and customers throughout the season**
 - **We had more visibility at MACo this year – participating in a presentation and attending networking events**
- **Showroom**
 - **Open for visits. You can make an appointment with your account rep online. On our home page there is a button to schedule appointments**
- **Email**
 - **If you're not already, we invite you to subscribe to our monthly email updates**
 - **Subscribe on the homepage of our website**
 - **What you can expect:**
 - **Product Announcements**
 - **Specials**
 - **New Products**
 - **MCE News**

Sales Division Update – Todd Deak, Director of Sales

- **Capital Project Updates:**
 - **Upcoming Deliveries:**
 - **Frostburg State University (Education & Health Sciences Center) slated for November/December.**
 - **College of Southern Maryland (Center for Health Sciences) slated for December.**
- **Project in Design Phase:**
 - **Dept. of Human Services (New Location) - Currently in Design, layout specification phase.**
 - **State Office Complex Project:**
 - **Dept. of Assessment and Taxation (New Location) – Currently in Design, layout specification phase.**
 - **Dept. of General Services (New Location) – Currently in Design, layout specification phase.**
 - **Provided estimates for Dept. of Aging and Dept. of Planning, waiting on new building arch plans.**
 - **Waiting to hear back from Dept. of Budget & Management and the Office of the Comptroller.**
 - **All above is slated for September and October deliveries.**

- Dept. of Health and Dept. of Labor projects are down the road.
- Clearance Offerings:
 - Still a lot of good product available, new, discontinued, etc. please make arrangements with your account rep to visit the showroom

Council Recommendations, Comments, and Concerns

- Question from Daniel Schuster – Delivery delays on certain materials. Is it hampering production/delivery schedules?
 - Stephen Sanders - The answer is yes. We are trying to compensate by ordering in advance and we are using our relationships with our vendors. Certainly a challenge because of supply chain issues.
 - Todd Deak – For example, we had laminate color issues. We worked with our customers and that issue is behind us now. Lead times are back to normal. Some textile issues/delays. Furniture back log is getting back to normal.

Meeting Concluded at 10:30AM

Upcoming Events:

Next Customer Council Meeting: January 17th, 2023

Maryland Correctional Enterprises

Location: Virtual

Date: January 17th, 2023

Time: 10:00am

Attendees:

Stephen Sanders

Ashley Lohr

Nicole Copeland

Adam Cummings

Todd Deak

Daniel Schuster

Meeting Commences at 10:01AM

MCE General Update - Stephen Sanders

- Unaudited figures for FY 23 YTD are \$21,239,371. January sales are approximately \$470,977 (exact updated figures are not available during transition from the AS400 to Global Shop).
- MCE continues to work with various customers to reduce their outstanding balances. Our receivables balance increased tremendously due to the pandemic and employees teleworking.
- Inmate employment update as of January 1st is at 1,036 total program participants. Would like to be at 1,500 by the end of the year.
- New MCE ERP (Global Shop Solutions) is entering Phase II by the end of the fiscal year. Transactions are catching up, but we cannot see everything as all numbers have not transferred yet.
- Overtime Status: Plant 149 Graphics out of RCI is working OT on Friday and Saturday.
- MCE continues to propose the transition to 100% RF (radio frequency) seal mattress production, as they are more effective for correctional settings due to increased safety measures.
- The legislative session began on January 11th, 2023.
- Meat Cutting Apprenticeship Program Graduation January 19, 2023 at 12 PM. Guests may arrive at 11 PM. Graduation Ceremony will be at MCIH. This Meat Cutting Apprenticeship class ran from November 2019 through September 2022.
- The current vacancy rate is at 23.6%.
 - 13 candidates in background (5 Internal)
 - 5 positions pending interviews
- Covid Cases for DPSCS – 68 employees, 1 inmate, 4 medical contractors.

- Covid Cases for MCE – 3 civilian staff, no program participants.
- All shops are operational and things are looking like they did pre-pandemic.

Question by Daniel Schuster – RF seal mattresses. What is the RF seal?

Answer by Stephen Sanders – The mattresses are sealed using high frequency energy. This allows a tighter seal, which is important in corrections. It creates a tight seal that will indicate if the mattress has been altered in any manner for the purpose of storing contraband.

Business Plan Update – Ashley Lohr

- We will send out the business plan to our customer council members. It is an internal document.
- MFR seminar is what drives the business plan. Some changes have occurred this year; to support our goals we have adjusted a few things.
- Goal 1 – Objectives and strategies remain the same. 3% profit to cover cost and expand programming. We do audits against it and attempt to reach our sales goal of over 50 mil.
- Goal 2 – Maximize participation levels. Increase participation levels which dropped during the pandemic. Also, to enhance and expand the PIE Program.
- Goal 3 – Increase customer satisfaction. Implemented ERP which should help track customer engagement.
- Goal 4 – Improve organizational excellence. This involves building the team up internally, from training to moral. We have had a lot of turnover over the past few years, so this is very important. ACA accreditation is a part of this. I believe we scored a 100% on the ACA audit.
- Goal 5 – Provide support and services to help our participant's transition back to the community. The CARES program is ongoing and has been expanded to include a leadership and mentor class. We will continue to develop apprenticeship programs and get the population more certificates.

Marketing Division Update – Nicole Copeland

- FY24 catalog which started in October, will be seeing significant price increases. About 300 or more items including wood products, chairs, and printing. Approval for pricing is now done through the Price Selection Committee. Costs are going up through inflation. We are also continuing to remove non-performing products, including discontinued products from the catalog.
- Convention Season is under way and MCE plans to attend:
 - Maryland Municipal League

- Association of School Business Officials
 - Maryland Association of Counties
 - Maryland Association of Board of Education
 - Maryland Association of Education School Principals
 - Maryland State Firemen's Association
- The showroom is open for visits. Can set up an appointment on the website or by calling your account representative.
 - Clearance items are available at the showroom.
- We have a monthly email list with updates that can be subscribed to via our homepage on our website. You can expect: product announcements, specials, new products, and MCE news.

Question by Daniel Schuster – What is the process to changing prices?

Answer by Nicole Copeland – Ourselves, as well as other preferred providers (BISM and Maryland Works) and DGS employees sit on the committee. We went from having a few DGS employees oversee our pricing to the Price Selection Committee. Any and all pricing changes have to be approved through this committee. We send them our market studies for approval. The committee is held monthly.

Sales Division Update – Todd Deak

- Orders Processed:
 - January 23' - 1.2M (January 22' - 2.7M)
 - YTD: 21.2M (Last Year: 25.2M)
- Web Site Orders are doing very well with 560K YTD (FY22 totaled 780K)
- Upcoming Projects Installs:
 - College of S. Maryland (Ctr for Health Sciences) (Jan/Feb)
 - Frostburg State (Education & Health Science Ctr) (Jan/Feb)
 - MFRI (Cumberland) (Jan/Feb)
 - Coppin State Univ (College of Business) (April)
- State Complex Move Project:
 - DHS Move Date Oct. 2023, In Design
 - SDAT Move Date Oct. 2023, In Design
 - Comptroller Move Date Oct. 2023, In Design
 - Dept. of Planning Move Date Aug. 2023, In Design
 - Dept. of Aging Move Date Sept. 2023, In Design
 - DBM Move Date Oct. 2023, waiting to hear back on meeting date

- Dept. of Labor - will be in design once they provide more info (650 cubicles and 112 offices)
 - DOIT, Dept. of Health, DGS and Dept. of Disabilities all slated for a move day in 2024
- Other Projects in Design
 - Public Defender's Office
 - Military Dept. (Baltimore Armory)

Council Recommendations, Comments, and Concerns

- No recommendations, comments, or concerns from members at this time.

Meeting Concluded at 10:30AM

Upcoming Events:

Customer Council Meeting: April 18, 2023

Maryland Correctional Enterprises: Customer Council Meeting**Date:** April 18th, 2023**Start Time:** 10:00am**End Time:** 10:30am**Location:** Virtual**Attendees:**Mark Rowley
Todd DeakKathrine Thomson
Daniel SchusterTara Smith
Brenda LeeChristine Cunningham
Curtis Murray**MCE General Update – Chief Administrative Officer, Mark Rowley**

- Unaudited figures for FY 23 YTD are \$21,239,371. January sales are approximately \$470,977 (exact updated figures are not available during transition from the AS400 to Global Shop).

Sales Update – Sales Director, Todd Deak

- We will send out the business plan to our customer council members. It is an internal document.

Marketing Division Update – Marketing Event Manager, Tara Smith

- FY24 catalog which started in October, will be seeing significant price increases. About 300 or more items including wood products, chairs, and printing. Approval for pricing is now done through the Price Selection Committee. Costs are going up through inflation.

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Upcoming Events:**Customer Council Meeting: April 18, 2023**